

THE WATERFRONT DISTRICT REDEVELOPMENT PROJECT (Formerly Known as New Whatcom)

FINAL ENVIRONMENTAL IMPACT STATEMENT



PORT OF BELLINGHAM



PORT OF BELLINGHAM
Washington State

July 6, 2010

Director of Planning
City of Bellingham
210 Lottie Street
Bellingham, WA 98225

Shorelands and Environmental Assistance
Environmental Review Section
Washington Department of Ecology
P.O. Box 47703
Olympia, WA 98504-7703

**Re: Availability of Final Environmental Impact Statement
Proposed Waterfront District Redevelopment Project
Bellingham, Washington**

Dear Sir/Madam:

A copy of the Final Environmental Impact Statement (FEIS) for the proposed Waterfront District Redevelopment Project in Bellingham, Washington, is attached. The Port of Bellingham (Port) together with the City of Bellingham (City) has been analyzing long-term redevelopment opportunities for the Waterfront District (also known as the "New Whatcom Special Development Area") since January 2005. The proposed actions associated with this project are subject to review under the State Environmental Policy Act (SEPA) and are set forth in the FEIS and accompanying documents. This letter provides notice to you and the agencies copied in the circulation list of the availability of the FEIS, conducted under SEPA.

The Port and City are working together to formulate and implement a Master Development Plan for the Waterfront District that would, if approved and implemented, be intended to gradually transform this historically industrial waterfront property into a new neighborhood with residences, shops, offices, marine and light industry, and institutional uses, as well as parks, trails and shoreline improvements.

This environmental analysis has been the subject of considerable public review and comment. A Draft EIS with a range of alternatives was published for review and comment in January 2008. A Supplement to the DEIS was published for additional review and comment in October 2008. An EIS Addendum, including analysis of an Updated Preferred Alternative, was published for review and comment in February 2010. This FEIS incorporates those previous documents.

The FEIS is organized as follows:

- Chapter 1 provides a description of the proposal and the 2010 Updated Preferred Alternative.
- Chapter 2 provides a summary of six key topic areas and responses to comments that followed a common theme in those topic areas, including: 1) historic resources, 2) transportation and parking, 3) views, 4) environmental health, 5) stormwater, and 6) parks and shorelines.
- Chapter 3 includes each comment received on the DEIS, SDEIS and the EIS Addendum, and responses to all comments received.
- Chapter 4 contains updated information and errata.
- Chapter 5 provides a distribution list.

The Port and City will use the Master Development Plan as the basis for consideration of adjustments to local land use plans. Both parties also intend to enter into a Development Agreement in coordination with this effort that would include implementing land use regulations and identify infrastructure requirements, phasing, development standards, and appropriate mitigation measures.

Both the City and the Port are agencies with jurisdiction for the proposed Master Development Plan and Development Agreement. Under Interlocal Agreements, both parties have designated the Port as the SEPA lead agency for this EIS.

The FEIS has been prepared pursuant to SEPA, Chapter 43.21C RCW and the SEPA Rules (including WAC 197-11-440 and 197-11-620).

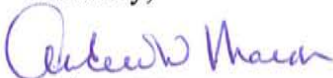
Copies of the FEIS on compact disc (CD) have been distributed to agencies, organizations and individuals noted on the Distribution List. Hard copies of the FEIS are also available for review at the following locations:

- Bellingham Central Library, 210 Central Way, Bellingham, WA
- Port of Bellingham, 1801 Roeder Avenue, Bellingham, WA
- City of Bellingham, Planning Office, 210 Lottie Street, Bellingham, WA

The FEIS can be reviewed and downloaded at the Port's web site under Latest News at: <http://www.portofbellingham.com>. Persons interested in receiving a copy of the FEIS on CD (no charge) should contact Mike Hogan at 360-676-2500 or by e-mail at: mikeh@portofbellingham.com

Thank you for your interest and participation in this environmental review.

Sincerely,



Andrew W. Maron
SEPA Responsible Official

Cc: Mark Asmundson, Northwest Clean Air Agency
Robert Brenner, Western Washington University
Alan Chapman, Lummi Nation
David Dicks, Puget Sound Partnership
Terry Drochek, Washington State Department of Transportation
Gregory Griffith, WA State Department of Archaeology and Historic Preservation
Robert Kelly, Nooksack Tribe
Maureen McCarthy, Whatcom Transit Authority
Tom McDowell, U.S. Fish & Wildlife Service
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Randall Perry, U.S. Army Corps of Engineers
Tyler Schroeder, Whatcom County Planning
Karen Swanson-Woolf, NOAA
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Brian Williams, Washington State Department of Fisheries

**FINAL
ENVIRONMENTAL IMPACT STATEMENT
THE WATERFRONT DISTRICT REDEVELOPMENT PROJECT
(Formerly Known As New Whatcom Redevelopment Project)**

**PORT OF BELLINGHAM
BELLINGHAM, WASHINGTON**

**Prepared for the Review and Comments of Citizens,
Groups and Governmental Agencies**

In Compliance with
The State Environmental Policy Act of 1971 (RCW 43.21C)
and the Port of Bellingham SEPA Policies and Procedures

July 2010

FACT SHEET

PROJECT TITLE

The Waterfront District Redevelopment Project

PROPOSED ACTION

The Port of Bellingham (Port) has been analyzing long-term redevelopment opportunities for The Waterfront District (formerly known as New Whatcom) site. The Port and the City of Bellingham (City) are working together to formulate and implement a Master Development Plan that would, if approved and implemented, be intended to transform The Waterfront District into a new neighborhood with residences, shops, offices, marine and light industry, institutional uses (e.g. Western Washington University), as well as parks, trails and shoreline amenities along Bellingham Bay. The Master Development Plan would include substantial new opportunities for public access to the waterfront that do not exist under current conditions. For the purposes of environmental review, full buildout of the site is assumed to occur over a 20-year period; although full buildout of the site would be dependent on market conditions and would likely occur over a longer timeframe.

The Port also envisions entering into a Development Agreement with the City that will further guide long-term redevelopment of the project site. As part of its efforts to plan and redevelop the site, the Port will propose amendments to the Port's *Comprehensive Scheme of Harbor Improvements* incorporating the Master Development Plan. Concurrent with the adoption of a Development Agreement, it is expected that the City will adopt a new Sub-Area Plan for the area (to be known as *The Waterfront District Master Development Plan*), along with implementing land use regulations and a Planned Action Ordinance, allowing for a change from industrial to mixed use zoning.

The Waterfront District includes approximately 216.3 acres of contiguous waterfront property and additional aquatic area in central Bellingham. The additional aquatic area associated with The Waterfront District is included within the area analyzed in the *Whatcom Waterway Cleanup Site Supplemental EIS 2007*. Currently, the Port owns and/or manages approximately 148.9 acres on the site; the City owns approximately 21.2 acres and another approximately 46.2 acres of the site are held in State of Washington or private ownership.

The Port of Bellingham (Port) and the City of Bellingham (City) identified the following Proposed Actions for the site that would be necessary to implement The Waterfront District redevelopment vision:

Proposed Actions of the Port of Bellingham

- Approval of amendments to the Port's *Comprehensive Scheme of Harbor Improvements*.
- Development of a proposal to the City of Bellingham for a Master Development Plan (MDP) for The Waterfront District.
- Approval of a Development Agreement between the Port of Bellingham and the City of Bellingham.

Proposed Actions of the City of Bellingham

- Adoption of a Master Development Plan (MDP) for The Waterfront District (considered as a Subarea Plan under the Growth Management Act) allowing for a change in zoning from industrial to mixed-use.
- Adoption of Development Regulations for The Waterfront District.
- Approval of a Development Agreement between the City of Bellingham and the Port of Bellingham. The Development Agreement will reference the implementing regulations for the site, along with infrastructure requirements, phasing and development standards.
- Adoption of a Planned Action Ordinance.
- Approval of permits for infrastructure improvements, construction projects, and redevelopment activities within the redevelopment area over the buildout period¹.

ENVIRONMENTAL REVIEW / ALTERNATIVES

To date, three environmental review documents under the State Environmental Policy Act (SEPA) have been issued for public review and comment by the Port of Bellingham in support of The Waterfront District (formerly known as New Whatcom) Redevelopment Project, including a Draft EIS issued in January 2008, a Supplemental Draft EIS issued in October 2008 and an EIS Addendum issued in February 2010. These documents are available for review on the Port of Bellingham website: www.portofbellingham.com/waterfrontredevelopment/projectupdates.

¹ Permits for certain activities to prepare the site for redevelopment, consistent with the assumptions analyzed in the EIS, could be submitted to the City for approval prior to the final adoption of the MDP and Planned Action Ordinance.

Draft EIS – January 2008

A Draft EIS (2008 DEIS) was issued in January 2008 that addressed the probable significant adverse impacts that could occur as a result of the approval by the Port of amendments to the *Comprehensive Scheme of Harbor Improvements*, adoption by the City of the Master Development Plan and implementing regulations, the approval of a Development Agreement between the Port and City, and potential future redevelopment activities on the site during a 20-year build-out horizon.

A range of alternatives was addressed in the 2008 DEIS that represent an overall envelope of potential redevelopment that the site could accommodate (Alternatives 1 through 4 in the DEIS). The 2008 DEIS recognized that features of the alternatives could be mixed and matched to arrive at the final Master Plan Development for the site.

Supplemental Draft EIS – October 2008

Subsequent to the issuance of the DEIS, Port staff, with input from the City, the public, and agencies, prepared a recommended proposal that served as the redevelopment concept for the site and a "Preferred Alternative". This Preferred Alternative is the subject of the Supplemental Draft EIS (2008 SDEIS) which was issued in October 2008. The mix of uses and level of redevelopment called for in the Preferred Alternative were within the range of redevelopment addressed in the 2008 DEIS (within the range analyzed under Alternatives 1 through 4). The 2008 Preferred Alternative represented a further refinement of the DEIS Alternatives in the following key areas:

- Redevelopment density and mix of uses
- Road System
- Grading/Stormwater Management Concept
- Parks and Shoreline Habitat Plan
- In-Water Work
- Sustainable Design Strategies
- Historic Buildings
- View Corridors
- Development Regulations

The 2008 SDEIS also addressed a "Straight Street Grid Option" as defined by the City of Bellingham. Refer to Chapter 2 for further details on the "Straight Street Grid Option" analyzed in the 2008 SDEIS.

EIS Addendum - February 2010

Subsequent to the issuance of the 2008 SDEIS, updates to the Preferred Alternative were made based on additional public/community input, continued coordination with the City of Bellingham, and evolving economic conditions. These updates resulted in the development of the 2010 Updated Preferred Alternative.

As indicated above, based on information provided in the 2008 SDEIS (including public input), additional community meetings and workshops, continued coordination between the City and the Port, and evolving economic conditions, the Port prepared a recommended 2010 Updated Preferred Alternative for analysis in the EIS Addendum.

Similar to that described for the Preferred Alternative in the 2008 SDEIS, the 2010 Updated Preferred Alternative was intended to be a medium density, sustainable development that features a diversity of uses that are complimentary to the downtown Bellingham Central Business District, Old Town and surrounding neighborhoods; an infrastructure network that integrates with and connects the waterfront to the surrounding area; and, a system of parks, trails and open space that opens up the waterfront to the community.

In many respects, redevelopment under the 2010 Updated Preferred Alternative would be similar to that described in the 2008 SDEIS for the Preferred Alternative. For example, the following full buildout (assumed for environmental review purposes to be 2026) redevelopment assumptions for the 2010 Updated Preferred Alternative were the same as described in the 2008 SDEIS for the Preferred Alternative:

- Redevelopment Density
- Maximum Building Heights
- Public Parks & Open Space
- Shoreline Improvements
- Grading
- Number of Housing Units
- Anticipated Site Population
- Anticipated Site Employment
- Parking
- Sustainable Design
- Marina Configuration
- Rail Line Relocation

The redevelopment assumptions under the 2010 Updated Preferred Alternative that have been modified from those described in the 2008 SDEIS Preferred Alternative include:

- Road Grid
- View Corridors
- Historic Buildings/Structures
- PSE Encogen Plant

The Proposed Actions evaluated in the EIS Addendum were the same actions as those contemplated in the January 2008 DEIS and October 2008 SDEIS.

LOCATION

The Waterfront District site lies within the City of Bellingham's Central Business District Neighborhood Planning area. The site is generally bounded by Bellingham Bay to the west, Roeder Avenue and State Street to the north and east, and the BNSF railroad corridor and bluff to the south. The Central Business District Neighborhood is generally bounded by the Columbia and Lettered Streets neighborhoods to the north; the Sunnyland and York neighborhoods to the east, and Cornwall Avenue and the Sehome and South Hill neighborhoods to the south.

PROPONENT/APPLICANT

Port of Bellingham

LEAD AGENCY

Port of Bellingham

RESPONSIBLE OFFICIAL

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PERMITS AND APPROVALS

Port of Bellingham

- Approval of amendments to Port of Bellingham *Comprehensive Scheme of Harbor Improvements*.
- Development of a proposal to the City of Bellingham for a Master Development Plan (MDP) for The Waterfront District Redevelopment site.
- Approval of a Development Agreement between the Port of Bellingham and City of Bellingham.

City of Bellingham

- Adoption of The Waterfront District Master Development Plan as a Subarea Plan per the Growth Management Act.
- Approval of a Development Agreement between the Port of Bellingham and City of Bellingham.
- Adoption of Development Regulations for The Waterfront District Redevelopment Area.
- Adoption of The Waterfront District Planned Action Ordinance.

Permits for infrastructure improvements, construction projects, and redevelopment activities within The Waterfront District site over the build-out period potentially including, but not limited to:

- Shoreline Management Act Substantial Development Permit Approval
- Grading Permit Approval
- Building Permit Approval
- Mechanical Permit Approval
- Plumbing Permit Approval
- Electrical Permit Approval
- Fire System Permit Approval
- Street and other City Right-of-Way Use Permit Application Approval
- Transportation Concurrency Application Approval
- Stormwater Management Plan Approval

State of Washington

Department of Ecology

- Section 401 Water Quality Certification and Permit Approval
- Section 402 NPDES Permit Approval
- Shoreline Substantial Development Permit Approval
- Coastal Zone Management Certification

Department of Archaeological and Historical Preservation

- Executive Order 05-05 Consultation and Review

Department of Fish and Wildlife

- Hydraulic Project Approval

United States Army Corps of Engineers

- Section 10/ Section 404 Permit Approval (in conjunction with the Environmental Protection Agency)
- Puget Sound Dredged Material Management Program Approval
- Section 106 Consultation and Review

**EIS AUTHORS AND
PRINCIPAL CONTRIBUTORS**

EIS Project Manager, Primary Author, Land Use, Relationship to Plans and Policies, Population/Employment/Housing, Aesthetics/Light and Glare, and Public Services

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**PREVIOUS
ENVIRONMENTAL
DOCUMENTS**

Per WAC 197-11-635, this EIS builds upon and incorporates by reference the following environmental documents: Department of Ecology, *Bellingham Bay Comprehensive Strategy Draft EIS*, July 1999; Department of Ecology, *Bellingham Bay Comprehensive Strategy Final EIS*, October 2000; Port of Bellingham, *SEPA Checklist for a Proposed Amendment to the*

Comprehensive Scheme of Harbor Improvements for Squalicum Harbor, April 2004; City of Bellingham, *Final Environmental Impact Statement for: The City of Bellingham, Bellingham Urban Growth Area, Five-Year Review Areas and Whatcom County Urban Fringe Subarea*, July 2004; Department of Ecology, *Draft Supplemental Environmental Impact Statement: Bellingham Bay Comprehensive Strategy, Whatcom Waterway Cleanup Site*, October 2006; Department of Ecology, *Final Supplemental Environmental Impact Statement: Bellingham Bay Comprehensive Strategy, Whatcom Waterway Cleanup Site*, September 2007.

These documents are available for review at the Port of Bellingham, 1801 Roeder Avenue, Bellingham, WA 98225.

LOCATION OF BACKGROUND INFORMATION

Background material and supporting documents are available at the Port of Bellingham, WA 1801 Roeder Avenue, Bellingham, WA 98225 and at the City of Bellingham Planning Office, 210 Lottie Street, Bellingham, WA 98225.

DATE OF FINAL EIS ISSUANCE

July 6, 2010

AVAILABILITY OF THE DRAFT EIS, SUPPLEMENTAL DRAFT EIS, EIS ADDENDUM AND FINAL EIS

Copies of the DEIS, SDEIS, EIS Addendum and this Final EIS have been distributed to agencies, organizations and individuals noted on the Distribution List. Copies of the DEIS, SDEIS, EIS Addendum and this FEIS are also available for review at the following locations:

- Port of Bellingham, 1801 Roeder Avenue, Bellingham, WA
- City of Bellingham, Planning Office, 210 Lottie Street, Bellingham, WA
- Bellingham Central Library, 210 Central Way, Bellingham, WA

A limited number of printed copies of this Final EIS may be purchased at the Port of Bellingham's Administrative Office at 1801 Roeder Avenue. The purchase price is \$50 per copy to cover printing costs.

The DEIS, SDEIS, EIS Addendum and this Final EIS can be reviewed and downloaded at the Port's web site under Latest News at:

<http://www.portofbellingham.com>.

Persons interested in receiving a copy of the Final EIS on CD (no charge) should contact Mike Hogan at 360-676-2500 or by e-mail at: Mikeh@portofbellingham.com.

EIS APPEAL

The Lead Agency's SEPA Resolution Number 1224 does not provide for administrative appeals. Consistent with WAC 191-11-680(4), the adequacy of this Final EIS may be appealed to Superior Court through the judicial appeal process.